

TOWNSHIP OF WILSON
CHARLEVOIX COUNTY, MICHIGAN

REPORT ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008

Auditing Procedures Report V1.04

[Reset Form](#)
[Email](#)

Issued under Public Act 2 of 1968, as amended.

Unit Name	Wilson Township	County	CHARLEVOIX	Type	TOWNSHIP	MuniCode	
Opinion Date-Use Calendar	June 30, 2008	Audit Submitted-Use Calendar	July 24, 2008	Fiscal Year-Use Drop List	2008		

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No".

<input checked="" type="checkbox"/>	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/>	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input checked="" type="checkbox"/>	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/>	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/>	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/>	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/>	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/>	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/>	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/>	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/>	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input checked="" type="checkbox"/>	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/>	13. Is the audit opinion unqualified? 14. If not, what type of opinion is it? <input type="text" value="NA"/>
<input checked="" type="checkbox"/>	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/>	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/>	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input checked="" type="checkbox"/>	18. Are there reported deficiencies? 19. If so, was it attached to the audit report? <input type="checkbox"/>

General Fund Revenue:	<input type="text" value="\$249,543"/>
General Fund Expenditure:	<input type="text" value="\$188,170"/>
Major Fund Deficit Amount:	<input type="text"/>

General Fund Balance:	<input type="text" value="\$437,699"/>
Governmental Activities Long-Term Debt (see instructions):	<input type="text" value="\$41,000"/>

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (Reported deviations).

CPA (First Name)	Barry	Last Name	Gaudette	Ten Digit License Number	1101011050
CPA Street Address	3994 Sherwood Forest Drive	City	Traverse City	State	MI
				Zip Code	49686
CPA Firm Name	Barry E. Gaudette, CPA, PC	Unit's Street Address	731 S. Garfield Avenue	City	Traverse City
				LU Zip	49686

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
List of Elected Officials	1
FINANCIAL SECTION	
Independent Auditor's Report	2-3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	4
Statement of Activities	5
Fund Financial Statements:	
Balance Sheet - Governmental Funds	6
Reconciliation of the Governmental Funds	
Balance Sheet With the Statement of Net Assets	7
Statement of Revenues, Expenditures, and	
Changes in Fund Balances - Governmental	
Funds	8
Reconciliation of the Statement of Revenues,	
Expenditures, and Changes in Fund Balances	
of Governmental Funds To the Statement of	
Activities	9
Statement of Fiduciary Net Assets -	
Fiduciary Funds	10
Statement of Changes in Fiduciary Net Assets -	
Fiduciary Funds	11
Notes to financial statements	12-24
Required Supplementary Information:	
Combining Balance Sheets:	
Other Governmental Funds	25
Statement of Revenues, Expenditures, and Changes	
in Fund Balances - Budget and Actual:	
General Fund	26-28
Fire & Ambulance Fund	29
Road Fund	30
LCC Fund	31
SAD Revolving Fund	32
COMMENTS AND RECOMMENDATIONS	33

INTRODUCTORY SECTION

TOWNSHIP OF WILSON
LIST OF ELECTED OFFICIALS
MARCH 31, 2008

ELECTED OFFICIALS

Todd B. Sorenson	Supervisor
Marilyn L. Beebe	Clerk
Kerri J. Reinhardt	Treasurer
Jon V. Jasinski	Trustee
Jeff Argetsinger	Trustee

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Members of the Township Board
Township of Wilson
Charlevoix County, Michigan

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Wilson, Michigan, as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Wilson, Michigan's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Wilson, Michigan, as of March 31, 2008, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Township of Wilson
Independent Auditors' Report
Page Two

The financial statements referred to above do not include the Management Discussion and Analysis, which is required supplementary information and should be included in order to conform with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Wilson, Michigan's basic financial statements. The individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Barry E. Audette, CPA, PC

June 30, 2008

BASIC FINANCIAL STATEMENTS

Township of Wilson
Government-Wide Financial Statements
Statement of Net Assets
March 31, 2008

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 9,269
Receivables	25,681
Restricted cash	10,926
Investments	511,044
Prepaid insurance	4,188
Capital assets (net of accumulated depreciation):	
Land and improvements	89,281
Buildings and improvements	115,206
Signs	<u>1,396</u>
Total assets	<u>766,991</u>
LIABILITIES	
Accounts payable	2,301
Accrued expenses	1,654
Noncurrent liabilities:	
Due within one year	7,000
Due in more than one year	<u>34,000</u>
Total liabilities	<u>44,955</u>
NET ASSETS	
Invested in capital assets, net of related debt	164,883
Restricted	130,287
Unrestricted	<u>426,866</u>
Total net assets	<u>\$ 722,036</u>

See notes to financial statements

Township of Wilson
Government-Wide Financial Statements
Statement of Activities
For the Year Ended March 31, 2008

Functions /Programs	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Legislative General	\$ 19,454	\$	\$	\$
Government	96,416			
Public safety	35,064		1,007	
Public works	182,587		3,025	6,213
Health & welfare	7,765			
Community/economic development	42,333			
Recreation & culture	5,387			
Other	18,693			
Interest on long-term debt	<u>4,421</u>			<u>7,769</u>
Total governmental activities	<u>\$ 412,120</u>	<u>\$</u>	<u>\$ 4,032</u>	<u>\$ 13,982</u>

General revenues:

Property taxes & administrative fees
Licenses & permits
State revenue sharing
Interest earnings
Miscellaneous
Sale of cemetery lots
Refunds

Total general revenues

Change in net assets

Net assets - beginning

Net assets - ending

See notes to financial statements

Net (Expense)
Revenue and
Changes in
Net Assets

Governmental
Activities

\$ (19,454)

(96,416)

(34,057)

(173,349)

(7,765)

(42,333)

(5,387)

(18,693)

3,348

(394,106)

200,736

4,430

141,184

13,173

4,360

650

824

365,357

(28,749)

750,785

\$ 722,036

Township of Wilson
Balance Sheet
Governmental Funds
March 31, 2008

	<u>General</u>	<u>Debt Service</u>	<u>Fire & Ambulance</u>	<u>Road</u>
ASSETS				
Cash and cash equivalents	\$ 975	\$ 1,170	\$	\$
Taxes receivable	8,188		6,314	6,314
Restricted cash	10,926			
Investments	138,105		80,919	265,595
Prepaid insurance	4,188			
Due from other funds	<u>279,365</u>	<u></u>	<u></u>	<u></u>
Total assets	<u>\$ 441,747</u>	<u>\$ 1,170</u>	<u>\$ 87,233</u>	<u>\$ 271,909</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,301	\$	\$	\$
Accrued expenses	1,654			
Due to other funds	<u></u>	<u></u>	<u></u>	<u>271,909</u>
Total liabilities	<u>3,955</u>	<u></u>	<u></u>	<u>271,909</u>
Fund balances:				
Reserved for:				
Restricted purposes	10,926			
Debt service		1,170		
Fire & ambulance			87,233	
Road				
Other governmental				
Unreserved,				
reported in:				
General fund	<u>426,866</u>	<u></u>	<u></u>	<u></u>
Total fund balances	<u>437,792</u>	<u>1,170</u>	<u>87,233</u>	<u></u>
Total Liabilities and Fund Balances	<u>\$ 441,747</u>	<u>\$ 1,170</u>	<u>\$ 87,233</u>	<u>\$ 271,909</u>

See notes to financial statements

Other Governmental Funds	Total Governmental Funds
--------------------------------	--------------------------------

\$	\$
4,865	2,145
	25,681
	10,926
26,425	511,044
	4,188
	<u>279,365</u>
<u>\$ 31,290</u>	<u>\$ 833,349</u>

\$	\$
	2,301
	1,654
<u>332</u>	<u>272,241</u>
<u>332</u>	<u>276,196</u>

	10,926
	1,170
	87,233
30,958	30,958
	<u>426,866</u>
<u>30,958</u>	<u>557,153</u>
<u>\$ 31,290</u>	<u>\$ 833,349</u>

Township of Wilson
Reconciliation of the Governmental Funds
Balance Sheet
With the Statement of Net Assets
March 31, 2008

Amounts reported for governmental activities in the
statement of net assets are different because:

Total Fund Balance - Governmental Funds	\$ 557,153
---	------------

Capital assets used in governmental activities
are not financial resources and therefore are
not reported as assets in governmental funds:

Cost of capital assets	274,029
Accumulated depreciation	(68,146)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(41,000)</u>
--	------------------

Total Net Assets - Governmental Activities	<u>\$ 722,036</u>
--	-------------------

See notes to financial statements

Township of Wilson
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended March 31, 2008

	<u>General</u>	<u>Debt Service</u>	<u>Fire & Ambulance</u>	<u>Road</u>
REVENUES				
Tax revenues:				
Taxes & adm. fees	\$ 81,990	\$	\$ 59,373	\$ 59,373
Licenses & permits	4,430			
Intergovernmental revenue from state:				
State revenue sharing	141,184			
Public safety Annual maint. fee	3,025			
Interest earnings	13,080	93		
Other revenue:				
Miscellaneous	4,360			
Special assessments		7,769		
Sale of cemetery lots	650			
All other refunds	824			
	<u>249,543</u>	<u>7,862</u>	<u>59,373</u>	<u>59,373</u>
Total revenues				
	<u>249,543</u>	<u>7,862</u>	<u>59,373</u>	<u>59,373</u>
EXPENDITURES				
Current:				
Legislative	19,454			
General government	90,418			
Public safety			34,092	
Public works				182,587
Health & welfare			7,765	
Community/economic development	42,333			
Recreation & culture	4,908			
Other	31,057			
Debt service:				
Principal		8,000		
Interest		4,421		
Total				
expenditures	<u>188,170</u>	<u>12,421</u>	<u>41,857</u>	<u>182,587</u>
Net changes in fund balances	61,373	(4,559)	17,516	(123,214)
Fund balances - beginning	<u>376,326</u>	<u>5,729</u>	<u>69,717</u>	<u>123,214</u>
Fund balances - ending	<u>\$ 437,699</u>	<u>\$ 1,170</u>	<u>\$ 87,233</u>	<u>\$</u>

See notes to financial statements

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
---	---

\$	\$ 200,736 4,430
----	---------------------

	141,184
1,007	1,007
	3,025
	13,173

	4,360
6,213	13,982
	650
	<u>824</u>

<u>7,220</u>	<u>383,371</u>
--------------	----------------

	19,454
	90,418
972	35,064
	182,587
	7,765

	42,333
--	--------

	4,908
	31,057

	8,000
	<u>4,421</u>

<u>972</u>	<u>426,007</u>
------------	----------------

6,248	(42,636)
-------	-----------

<u>24,710</u>	<u>599,696</u>
---------------	----------------

<u>\$ 30,958</u>	<u>\$ 557,060</u>
------------------	-------------------

Township of Wilson
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balance of Governmental Funds
to the Statement of Activities
For the Year Ended March 31, 2008

Amounts reported for governmental activities in the
statement of activities are different because:

Total net change in fund balances - total governmental funds	\$ (42,636)
---	--------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The depreciation in the current period did not exceed capital outlays.	5,887
---	-------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long- term debt and related items.	<u>8,000</u>
---	--------------

Change in net assets of governmental activities	<u><u>\$ (28,749)</u></u>
---	----------------------------

See notes to financial statements

Township of Wilson
Statement of Fiduciary Funds
Fiduciary Funds
March 31, 2008

	<u>Tax Collection Fund</u>
ASSETS	
Cash and cash equivalents	\$ 7,124
Total assets	<u>7,124</u>
LIABILITIES	
Due to other funds	<u>7,124</u>
NET ASSETS	
Held in trust for other purposes	<u>\$</u>

See notes to financial statements

Township of Wilson
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended March 31, 2008

	<u>Tax Collection Fund</u>
ADDITIONS	
Property tax collections,	
special assessments and fees	\$1,625,596
Interest	<u>1,453</u>
Total additions	<u>1,627,049</u>
DEDUCTIONS	
Payments to general fund	81,990
Payments to fire and ambulance fund	59,373
Payments to road fund	59,373
Payments to other governmental units	<u>1,426,313</u>
Total deductions	<u>1,627,049</u>
Changes in net assets	
Net assets - beginning	<u> </u>
Net assets - ending	<u><u>\$ </u></u>

See notes to financial statements

Township of Wilson
Notes to the Financial Statements
March 31, 2008

I. Summary of significant accounting policies

The financial statements of the Township of Wilson (the Township) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Township's accounting policies are described below.

A. Reporting entity

The Township is governed by an elected five-member board. The accompanying financial statements present the Township's operations for which the government is considered to be financially accountable. The Township has no component units and is not responsible for any jointly governed organizations.

B. Government-wide financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Township. For the most part, the effect of the interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from the goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provided have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when a payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

The Township property tax is levied each December 1st on the taxable valuation of property (as defined by State statutes) located in the Township as of the preceding December 31st. Real property taxes not collected as of March 1st are turned over to Charlevoix County, which advances the Township 100% for the delinquent taxes.

The 2007 taxable valuation of the Township totaled \$63,039,125, on which ad valorem taxes levied consisted of .9421 mills for Township operating purposes. This amount is recognized in the General Fund as current tax revenue as well as administrative fees of \$18,037 to collect the taxes and applicable interest.

The Township also has a tax levy for fire & ambulance and roads of .9421 mills, respectively.

C. Measurement focus, basis of accounting and financial statement presentation (Continued)

The Township reports the following major governmental funds:

The *general fund* is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *fire & ambulance and road funds* are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The Township reports the following nonmajor governmental funds:

The *LCC and SAD revolving funds* are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The Township reports the following fiduciary fund:

The *current tax collection fund* is used to account for resources held by the Township in a purely custodial capacity. Money in this fund is from current tax and special assessment collections. Timely distribution to the appropriate fund and local unit must be made in accordance with Section 43 of the General Property Tax Act.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

The Township did not have any proprietary funds.

When both restricted and unrestricted resources are available for use, it is the government's policy to use unrestricted sources first, then unrestricted resources as they are needed.

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits, short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Township to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, saving and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or Nation Credit Union Administration, respectively; in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which mature not more than 270 days after the date of purchase. The Township is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

2. Short-term interfund receivables/payable

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet in the governmental fund financial statements.

3. Receivables and payables

All trade and property tax receivables are shown net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

4. Restricted assets

In accordance with Act 451, the Township has entered into an agreement to assume responsibility for the operation and maintenance of a privately owned public sewer system, if the owners' association should fail to do so. Cash totaling \$10,926 has been restricted for this purpose.

D. Assets, liabilities, and net assets or equity (Continued)

5. Capital assets

Capital assets, which include property, plant, and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded as historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property and equipment of the Township is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	10
Building and improvements	40
Machinery and equipment	5
Signs	10

6. Compensated absences

The Township does not have a compensated absence policy.

7. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

8. Fund equity

In the fund financial statements, governmental funds report the reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

9. Comparative data/reclassifications

If the Township had an individual enterprise fund, comparative total data for the prior year would have been presented only in the fund financial statements in order to provide an understanding of the changes in the financial position and

D. Assets, liabilities, and net assets or equity (Continued)

9. Comparative data/reclassifications (Continued)

operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

II. Stewardship, compliance, and accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Supervisor submits to the Township Board a proposed budget for the fiscal year commencing on April 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth in the combined statement of revenues, expenditures and changes in fund balances - budget and actual - GAAP basis - general funds.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to April 1, the budget is legally adopted by the Township Board as a resolution pursuant to the Uniform Budgeting and Accounting Act (P.A. 621 of 1978). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, or in excess of the amount appropriated.
4. The Supervisor is authorized to transfer budgeted amounts between major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the Township Board.

II. Stewardship, compliance, and accountability (Continued)

A. Budgetary information (Continued)

5. Formal budgetary integration is employed as a management control device during the year for the general fund.
6. The budget as presented, has not been amended. Supplemental appropriations were made during the year with the last one approved prior to April 1st.

B. Excess of expenditures over appropriations

For the year ended March 31, 2008, expenditures exceeded appropriations in the activities of township hall and parks by \$829 and \$166, respectively if the general fund.

For the year ended March 31, 2008, expenditures exceeded appropriations in the activities of public safety of the fire & ambulance fund by \$592. The LCC fund had overexpenditures of \$2 in public safety.

These overexpenditures were funded by the available fund balance in the respective funds.

III. Detailed notes on all funds

A. Deposits and investments

Deposits

The Township's policies regarding deposits of cash are discussed in Note 1. The table presented below is designed to disclose the level of custody credit risk assumed by the Township based upon how its deposits were insured or secured with collateral at March 31, 2008. The categories of credit risk are defined as follows:

Category 1 - Insured by FDIC or collateralized with securities held by the Township (or public trust) or by its agent in its name.

Category 2 - Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Township's name.

Category 3 - Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Township's name; or collateralized with no written or approved collateral agreement.

A. Deposits and Investments (Continued)

Deposits (Continued)

	Total Bank Balance	<u>Custody Credit Risk</u>			Total Carrying Value
		<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	
Demand deposits	\$ 2,506	\$ 2,506	\$	\$	\$ 2,378
Savings	<u>17,817</u>	<u>17,817</u>			<u>17,817</u>
	<u>\$ 20,323</u>	<u>\$ 20,323</u>	<u>\$</u>	<u>\$</u>	<u>\$ 20,195</u>

Investments

The Township's policies and applicable laws regarding investments are discussed in Note 1(d) and 2(b). The table presented below is designed to disclose the level of market risk and custody credit risk assumed by the Township (or public trust) based upon whether the investments are insured or registered and upon who holds the security at March 31, 2008. The categories of credit risk are defined as follows:

Category 1 - Insured or registered with securities held by the Township or its agent in the Township's name.

Category 2 - Uninsured and unregistered with securities held by counterparty's trust department or agent in the Township's name.

Category 3 - Uninsured and unregistered with securities held by the counterparty or by its trust department or agent but not in the Township's name.

	<u>Custody Credit Risk</u>			<u>Carrying Amount</u>	<u>Fair Value</u>
	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>		
Money market account	<u>\$186,944</u>	<u>\$324,100</u>	<u>\$</u>	<u>\$511,044</u>	<u>\$511,044</u>

A. Deposits and investments (Continued)

A reconciliation of cash as shown on the statements of net assets is as follows:

Carrying amount of deposits	\$ 20,195
Investments	<u>511,044</u>
Total	<u>\$ 531,239</u>
Cash and cash equivalents:	
General fund	\$ 149,991
Debt service fund	1,170
Fire & ambulance fund	80,919
Road fund	265,595
LCC fund	332
SAD revolving fund	26,093
Tax collection fund	7,267
Deposits in transit	15
Checks written in excess of deposits	<u>(143)</u>
Total	<u>\$ 531,239</u>

B. Receivables

The Township is owed delinquent property taxes from the County of Charlevoix in the amount of \$6,314 each, for operating purposes, fire & ambulance, and roads, respectively.

Also, the Township is owed \$1,874 for 2007 delinquent real property taxes and \$4,865 for SAD I and II special assessments delinquent taxes.

C. Capital assets

Capital asset activity for the year ended March 31, 2008 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land & improvements	\$ <u>78,931</u>	\$ _____	\$ _____	\$ <u>78,931</u>

C. Capital assets (Continued)

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Governmental				
activities (Cont'd):				
Capital assets, being depreciated:				
Land improvements:				
Cemetery fence		8,785		8,785
Park sidewalk		2,109		2,109
Buildings & improvements:				
Township hall	148,000			148,000
Hall improvements	5,526			5,526
Pavilion	7,000			7,000
Gazebo	5,000			5,000
Machinery & equipment:				
Office	17,208			17,208
Signs		1,470		1,470
Total capital assets being depreciated	<u>182,734</u>	<u>12,364</u>		<u>195,098</u>
Less accumulated depreciation for:				
Land improvements:				
Cemetery fence		(439)		(439)
Park sidewalk		(105)		(105)
Buildings & improvements:				
Township hall	(44,400)	(3,700)		(48,100)
Hall improvements	(207)	(138)		(345)
Pavilion	(700)	(175)		(875)
Gazebo	(875)	(125)		(1,000)
Machinery & equipment:				
Office	(15,487)	(1,721)		(17,208)
Signs		(74)		(74)
Total accumulated depreciation	<u>(61,669)</u>	<u>(6,477)</u>		<u>(68,146)</u>
Total capital assets, being depreciated, net	<u>121,065</u>	<u>5,887</u>		<u>126,952</u>
Governmental activities capital assets, net	<u>\$ 199,996</u>	<u>\$ 5,887</u>	<u>\$</u>	<u>\$ 205,883</u>

C. Capital assets (Continued)

Depreciation expense was charged to functions/programs of the government as follows:

Governmental activities:		
General government	\$	5,998
Recreation & culture		<u>479</u>
Total depreciation expense-		
governmental activities	\$	<u>6,477</u>

D. Interfund receivables, payables, and transfers

There were no operating transfers between funds during the fiscal year ended March 31, 2008.

The composition of interfund balances as of March 31, 2008, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Tax collection	\$ 7,124
General	Road	271,909
General	LCC	<u>332</u>
Total		<u>\$279,365</u>

E. Long-term debt

Bonds Payable

Special assessment bonds and related interest costs are payable solely from assessments and interest collected from the property owners who benefit from respective improvements. The Township has no liability for payment of the bonds should the assessments be insufficient to cover bond principal and interest; however, due to the Township's oversight relationship with the Special Assessment District's, they are included in the Township's reporting entity as bonds payable.

The bond payments are made to LaSalle Bank. The maturity date is April 1, 2014 with an interest rate of 7.375%. The payments are made semi-annually on April 1st and October 1st of each year.

E. Long-term debt (Continued)

Specific detail and requirements of each Bond Issue are as follows:

Name of Issue Special Assessment Bond, 1999

Date of Issue February 2, 1999

Reason For the construction of sewer line improvements

Amount of Issue \$ 99,000.00

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	7.375%	\$ <u>41,000</u>

Annual debt service requirements to maturity for general obligation notes are as follows:

<u>Year Ending March 31</u>	<u>Special Assessment District</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 7,000	\$ 3,024
2010	7,000	2,508
2011	7,000	1,991
2012	7,000	1,475
2013	7,000	959
Years beyond	<u>6,000</u>	<u>443</u>
Total	<u>\$ 41,000</u>	<u>\$ 10,400</u>

Changes in long-term liabilities

Long-term liability activity for the year ended March 31, 2008, was as follows:

	<u>Beginning Balance</u>	<u>Additions (Reductions)</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:				
Bonds payable:				
Special Assessment District	<u>\$ 49,000</u>	<u>\$ (8,000)</u>	<u>\$ 41,000</u>	<u>\$ 7,000</u>

There were no additions to loans during the current fiscal year.

V. Other information

A. Risk management

The Township is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; and employee injuries (workers compensation).

The Township has purchased commercial insurance for all risks of loss. Settlements claims have not exceeded coverages for each of the past three fiscal years.

B. Pension plan

The Township does not provide a pension plan for its employees.

Required Supplementary Information

Township of Wilson
Combining Balance Sheets
Other Governmental Funds
March 31, 2008

	<u>LCC</u>	<u>SAD Revolving</u>	<u>Totals</u>
ASSETS			
Taxes receivable	\$	\$ 4,865	\$ 4,865
Investments	<u>332</u>	<u>26,093</u>	<u>26,425</u>
Total assets	<u>\$ 332</u>	<u>\$ 30,958</u>	<u>\$ 31,290</u>
LIABILITIES AND FUND BALANCES			
Due to other funds	<u>\$ 332</u>	<u>\$</u>	<u>\$ 332</u>
Total liabilities	<u>332</u>	<u></u>	<u>332</u>
Fund balances:			
Reserved for:			
LCC			
SAD revolving	<u></u>	<u>30,958</u>	<u>30,958</u>
Total fund balances	<u></u>	<u>30,958</u>	<u>30,958</u>
Total liabilities and fund balances	<u>\$ 332</u>	<u>\$ 30,958</u>	<u>\$ 31,290</u>

See notes to financial statements

Township of Wilson
General Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
For the Year Ended March 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final Budget Positive (Negative)</u>
REVENUES				
Tax revenues:				
Property taxes and related fees	\$ 75,500	\$ 75,500	\$ 81,990	\$ 6,490
Licenses & permits	2,500	2,500	4,430	1,930
Intergovernmental revenue from state:				
State revenue sharing	142,500	142,500	141,184	(1,316)
Annual maintenance fee	3,000	3,000	3,025	25
Interest earnings	10,000	10,000	13,080	3,080
Other revenue:				
Miscellaneous	1,100	1,100	4,360	3,260
Sale of cemetery lots	300	300	650	350
All other refunds	<u>1,500</u>	<u>1,500</u>	<u>824</u>	<u>(676)</u>
Total revenues	<u>236,400</u>	<u>236,400</u>	<u>249,543</u>	<u>13,143</u>
EXPENDITURES				
Current:				
Legislative:				
Township board	7,600	7,600	6,521	1,079
Web administration			1,332	(1,332)
Office supplies/equip.	2,100	2,100	1,561	539
Legal	7,000	7,000	2,096	4,904
Dues & memberships	1,700	1,700	1,141	559
Telephone	500	500		500
Travel	200	200		200
Public notices	6,700	6,700	1,778	4,922
Insurance & bonds	6,000	6,000	4,266	1,734
Education	500	500	384	116
Audit			375	(375)
Miscellaneous	<u>200</u>	<u>200</u>		<u>200</u>
Total legislative	<u>32,500</u>	<u>32,500</u>	<u>19,454</u>	<u>13,046</u>

Township of Wilson
General Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
For the Year Ended March 31, 2008
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final Budget Positive (Negative)</u>
EXPENDITURES (CONTINUED):				
Current:				
General government:				
Supervisor	12,730	12,730	12,297	433
Clerk	13,180	13,180	12,227	953
Treasurer	17,660	17,660	16,760	900
Assessor	35,032	35,032	34,445	587
Elections	3,630	3,630	2,339	1,291
Township hall	4,492	4,492	5,321	(829)
Other:				
Cemetery	22,932	22,932	5,309	17,623
Board of review	<u>2,380</u>	<u>2,380</u>	<u>1,720</u>	<u>660</u>
Total general government	<u>112,036</u>	<u>112,036</u>	<u>90,418</u>	<u>21,618</u>
Community/economic development:				
Community planning & zoning:				
Planning department	33,595	33,595	32,677	918
Planning commission	9,600	9,600	7,991	1,609
Zoning board of appeals	<u>2,500</u>	<u>2,500</u>	<u>1,665</u>	<u>835</u>
Total community/economic devel.	<u>45,695</u>	<u>45,695</u>	<u>42,333</u>	<u>3,362</u>
Recreation & culture:				
Parks	<u>4,742</u>	<u>4,742</u>	<u>4,908</u>	<u>(166)</u>
Other:				
Payroll expense			7,171	(7,171)
Workmen's comp.			750	(750)
Capital outlay	60,050	60,050	12,364	47,686
Fall cleanup	<u>10,500</u>	<u>10,500</u>	<u>10,772</u>	<u>(272)</u>
Total other	<u>70,550</u>	<u>70,550</u>	<u>31,057</u>	<u>39,493</u>

Township of Wilson
General Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
For the Year Ended March 31, 2008
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u>
				<u>Final</u>
				<u>Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
EXPENDITURES				
(CONTINUED) :				
Total expenditures	<u>265,523</u>	<u>265,523</u>	<u>188,170</u>	<u>77,353</u>
Net change in fund balances	(29,123)	(29,123)	61,373	90,496
Fund balances - beginning	<u>524,945</u>	<u>524,945</u>	<u>376,326</u>	<u>(148,619)</u>
Fund balances - ending	<u>\$495,822</u>	<u>\$495,822</u>	<u>\$437,699</u>	<u>\$(58,123)</u>

See notes to financial statements

Township of Wilson
Fire & Ambulance Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
For the Year Ended March 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u> <u>Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Property taxes	\$ 60,000	\$ 60,000	\$ 59,373	\$ (627)
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>59,373</u>	<u>(627)</u>
EXPENDITURES				
Public safety:				
Fire	33,500	33,500	34,092	(592)
Health & welfare:				
Ambulance	<u>8,200</u>	<u>8,200</u>	<u>7,765</u>	<u>435</u>
Total expenditures	<u>41,700</u>	<u>41,700</u>	<u>41,857</u>	<u>(157)</u>
Net change in fund balances	18,300	18,300	17,516	(784)
Fund balances- beginning	<u>69,717</u>	<u>69,717</u>	<u>69,717</u>	<u> </u>
Fund balances- ending	<u>\$ 88,017</u>	<u>\$ 88,017</u>	<u>\$ 87,233</u>	<u>\$ (784)</u>

See notes to financial statements

Township of Wilson
Road Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
For the Year Ended March 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u> <u>Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Property taxes	\$ 60,000	\$ 60,000	\$ 59,373	\$ (627)
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>59,373</u>	<u>(627)</u>
EXPENDITURES				
Public works:				
Roads	<u>260,000</u>	<u>260,000</u>	<u>182,587</u>	<u>77,413</u>
Total expenditures	<u>260,000</u>	<u>260,000</u>	<u>182,587</u>	<u>77,413</u>
Net change in fund balances	(200,000)	(200,000)	(123,214)	76,786
Fund balances- beginning	<u>(148,695)</u>	<u>(148,695)</u>	<u>123,214</u>	<u>271,909</u>
Fund balances- ending	<u><u>\$ (348,695)</u></u>	<u><u>\$ (348,695)</u></u>	<u><u>\$</u></u>	<u><u>\$348,695</u></u>

See notes to financial statements

Township of Wilson
LCC Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
For the Year Ended March 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental revenue from state:				
Public safety:				
Liquor control	\$ 970	\$ 970	\$ 1,007	\$ 37
Total revenues	970	970	1,007	37
EXPENDITURES				
Public safety:				
Police	970	970	972	(2)
Total expenditures	970	970	972	(2)
Net change in fund balances			35	35
Fund balances-beginning	(332)	(332)	(35)	297
Fund balances-ending	<u>\$(332)</u>	<u>\$(332)</u>	<u>\$</u>	<u>\$ 332</u>

See notes to financial statements

Township of Wilson
SAD Revolving Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
For the Year Ended March 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final Budget Positive (Negative)</u>
REVENUES				
Other revenue:				
Special assessments	\$ 9,894	\$ 9,894	\$ 6,213	\$ (3,681)
Total revenues	<u>9,894</u>	<u>9,894</u>	<u>6,213</u>	<u>(3,681)</u>
EXPENDITURES				
Public works:				
Special assessment districts	_____	_____	_____	_____
Total expenditures	_____	_____	_____	_____
Net change in fund balances	9,894	9,894	6,213	(3,681)
Fund balances- beginning	<u>24,745</u>	<u>24,745</u>	<u>24,745</u>	_____
Fund balances- ending	<u>\$ 34,639</u>	<u>\$ 34,639</u>	<u>\$ 30,958</u>	<u>\$ (3,681)</u>

See notes to financial statements

COMMENTS AND RECOMMENDATIONS

Members of the Township Board
Township of Wilson
Charlevoix County, Michigan

My examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

It was not necessary for me to make any comments or recommendations.

This letter supplements the information in the Financial Statements and Notes to Financial Statements. It is intended solely for the use of management and the Township Board and should not be used for any other purpose.

Barry E. Gaudette, CPA, P.C.

June 30, 2008